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# Latin America Report

No. 2675

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6 May 1983

## LATIN AMERICA REPORT

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## BRIEFS

GAS, PETROLEUM RESERVES--Buenos Aires, 14 Apr (TELAM)--Through a communique issued today, Government Oil Deposits officially disclosed that petroleum reserves on 31 December amounted to 386,119,000 cubic meters while gas reserves amounted to 691,571,000 cubic meters. [Text] [PY172324 Buenos Aires TELAM in Spanish 1927 GMT 14 Apr 83]

YPF OIL PRODUCTION--YPF [Government Oil Deposits] oil production increased by almost 6 percent during March as compared to oil production during March 1982. YPF oil production increased by 6.6 percent during the first 3 months of 1983 compared to oil production during the first 3 months of 1982. [Buenos Aires Domestic Service in Spanish 1600 GMT 13 Apr 83 PY]

OIL, GAS PRODUCTION--Buenos Aires, 25 Mar (NA)--Production in the energy sector during the January-February 1983 period was as follows: Oil, 4,581,600 cubic meters, 0.1 percent higher than that of the same period in 1982; coal, 90100 tons, 38 percent higher; and natural gas, 1,824,500,000 cubic meters, 12.6 percent higher than that of last year. [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1940 GMT 25 Mar 83 PY]

INVESTMENT IN ENERGY SECTOR--The government will invest 79.8 billion pesos in fuel production this year, which is 32 percent higher in real terms than the amount spent in this area in 1982. Eighty percent of this amount will be earmarked for prospecting activities to increase total oil reserves by approximately 57 million cubic meters. The government oil deposits will deliver 11 percent more natural gas than it did in 1982. The government this year earmarked 12.9 billion pesos for this sector, which is 76 percent higher than that for last year. [Buenos Aires LA NACION in Spanish 22 Mar 83 p 3 PY]

CSO: 3348/327

## EXPERT ON PETROLEUM EXPLORATION, PRODUCTION

Paramaribo DE WARE TIJD in Dutch 12 Mar 83 p 7

[Article by S.E. Jharap, director of the National Oil Company: "Saramacca Oil Can Provide Electricity Generation"]

[Text] On 25 November 1982, after the official opening of its production facilities, the National Oil Company -- our national petroleum exploration and production company -- produced the first barrels of crude oil from our soil.

With this production, however modest, our country has now joined the ranks of the oil producing countries. More important, by making this production a reality under our own power and with our own resources, with full national control and ownership, on the one hand we are disposing of the ancient view that the production of petroleum is reserved solely for multinational corporations, and, on the other hand, our country is quietly establishing a solid base for a realistic energy policy aimed at promoting industrial prosperity while retaining maximum national sovereignty.

## Reserves

To make estimates about reserves of mineral resources is a very difficult business. The figures should be given just as much value as the quantity of basic data which are known about the subject. Even though we have been talking for about 20 years about the oil in Saramacca, in fact we know very little. Still, for the time being we can clearly distinguish two different oil fields in Saramacca, specifically:

- the Calcutta field and
- the Tambaredjo field.

The only thing we know about the Calcutta field is that oil occurs at a depth of 165 meters. Nothing else!

Most of the exploration activities by the National Oil Company (1981 and 1982) were concentrated in the Tambaredjo field. Hence, estimates of reserves will be limited exclusively to this field. A total of eight exploration bore holes and five production test wells have been drilled. Based on data obtained from these, we can now classify an area of approximately 30 square kilometers in the Tambaredjo field as oil-bearing. This oil occurs at a depth of 1,000 meters, in a sand stratum the thickness of which varies from 1 to 10 meters. Based on this interpretation, we estimate that the field holds between 150 and 200 million barrels of oil.

Only a limited amount of the oil present in each field can be produced. What is involved then is that particular amount, the so-called "recoverable oil." The percentages of recoverable oil in various oil fields can vary from 4 percent (low) to as much as 80 percent (high). The percentage of recoverable oil can be determined only on the basis of a production history in that field and is, moreover, determined by the production technology which is used.

Based on our 2 months of production history in Saramacca, we assume that 10 percent of the total amount of oil from the Tambaredjo field can be produced with conventional techniques. That equals 15 million barrels of oil. By applying modern production methods for heavy oil, this percentage could go up to perhaps 40 percent. This would then yield approximately 60 million barrels.

#### Petroleum Needs

Reserves of potential energy sources only become meaningful when compared to national energy consumption.

Assuming that we want to produce the recoverable oil from the Tambaredjo field in 20 years and that we want to keep the yearly production as equal as possible, then we could produce 2,000 barrels a day (for 15 million) or 8,000 barrels a day (for 60 million).

Two thousand barrels of oil per day would be more than enough to replace all the oil in our country which is imported from abroad for the purpose of generating electricity.

Eight thousand barrels of oil per day would be more than enough to replace all imported oil needed for the generation of electricity and the production of alum-earth. This quantity represents approximately 80 percent of all petroleum products imported by our country.

#### Current Production Results

Once again, to avoid any misunderstanding, the above mentioned figures are "estimates." Hence, no new "panacea" has arisen to free us from our socio-economic problems. However, it is not true that over the last 2 months, the National Oil Company has been "squeezing oil out of coconuts" either, as someone has claimed. But it is true that, with the application of adequate technology, under modern and efficient management, the Tambaredjo field can make sure that the light in our country is not extinguished. With 5 actively producing wells, the National Oil Company currently produces 250 barrels of oil per day. Due to the fact that the structure of the oil field is rather complicated, production at the various wells varies from 90 barrels to 5 barrels per day. Wells which produce 50 barrels or more of this heavy oil are very good producers, while wells with 1 to 10 barrels per day clearly need to be helped along (for example, with an injection of steam).

The National Oil Company's 1983 program includes the opening of five new producing wells. This way, by the end of the year it will be possible to raise production to 600 barrels per day.



## Application

The extraction of oil in our country is only 2 months old and thus we cannot fall back on a national source with rich experience and useful knowledge for our information. What the public at large knows about petroleum products is what it learns from advertisements. One consumer is happy with brand X, while another swears by brand Y. What neither one of them knows is that they are supplied from the same barrel. But that does not matter. The practice of our current energy policy can best be characterized with the following example: someone buys a car built to run on "regular" gasoline. After a period of time he is told at the gas station that "regular" is no longer available. He gets mad but is too lazy to go look for a gas station where "regular" is available; so, he fills his tank with "super," which is more expensive but does not perform any better. The next time he buys a new car, he will buy one built for "super" gasoline.

When this brief story applies to a "Sunday driver," then it does not matter much. Alas, we find the same story, with many variants, among many of our national producers, and then we feel that it does matter a great deal when the working class has to foot the bill for this.

## Alternative

Only to note these phenomena is not sufficient. Some of them simply have no alternative. To those who are looking for cheaper fuels, the National Oil Company now wants to offer an alternative. When the National Oil Company concluded a contract with SURALCO [Suriname Aluminum Company] to supply oil from Saramacca, we heard many voices saying that oil from the National Oil Company would destroy the SURALCO plants. Fortunately, SURALCO knew better. As a matter of fact, in Paramaribo oil from the National Oil Company is used to lengthen the working life of the installations, and we are proud of that. Because of its special characteristics, our oil from Saramacca can be used as a fuel in industry without further processing and thus replace the much more expensive diesel oil. Moreover, it is an excellent product for the electric power station, for gas turbines as well as for slowly revolving diesel engines.

In the near future, the National Oil Company will begin the construction of a blending station in Paramaribo. In this plant, part of the oil produced in Saramacca will be converted into industrial fuel, according to specifications from individual consumers. The National Oil Company hopes that this blending station will be operational sometime during the second half of the year.

8463

CSO: 3214/30

## BIRD HANDS DONATION TO AFRICAN NATIONAL CONGRESS

FL161926 Bridgetown CANA in English 1742 GMT 16 Apr 83

[Text] St Johns, Antigua, 16 Apr, CANA--Antigua and Barbuda, as a token of its firm anti-apartheid stance, has presented a cheque worth 10,000 dollars (U.S.) to the banned African National Congress (ANC) of South Africa to help its struggle to end white minority rule in the racially-divided country.

Prime Minister Vere Bird handed over the cheque at a luncheon yesterday to John Makatini, permanent observer of the ANC to the United Nations. Makatini left yesterday for Barbados after a three-day visit here.

Bird pledged that Antigua and Barbuda would continue to play its part in the international campaign to bring down the apartheid system in South Africa.

"...I feel the time has come when all countries administered by black people should have a positive programme making their contribution towards eliminating apartheid in South Africa," the Antigua and Barbuda leader said.

In his reply, Makatini said the Pretoria regime was now attempting to legitimise its racist policies by luring talented black musicians and sportsmen to visit and perform in South Africa.

He praised Antigua's star batsman Vivian Richards and pace-bowler Andy Roberts for refusing lucrative offers to play cricket in South Africa with other West Indian players during a much-criticised tour there earlier this year.

"The regime has resorted to what we think is a very clever manoeuvre (by) reaching out to black talent in the field of sports and culture in order to legitimise this inhumane system and the programme of genocide to demonstrate to the people of South Africa and the world that it is not isolated," Makatini said.

He said the rebel West Indian cricketers who toured South Africa could be compared with Jewish artistes and sportsmen who entertained the Nazis even though they were committing atrocities against fellow Jews in concentration camps.

"We are therefore very happy with the position taken by Richards and Roberts and we would like to join in honouring these valiant brothers who took so principled a position," he said.

Ambassador Makatini was accompanied here by a staff colleague, Miss Ntathu Mbatha. Their visit to Antigua and Barbuda was part of a Caribbean tour organised by the Barbados-based Caribbean Conference of Churches (CCC).

COUNTRY SECTION

ANTIGUA & BARBUDA

BRIEFS

DIPLOMATIC RELATIONS WITH SYRIA --St Johns, Antigua, 18 Apr, CANA--Antigua and Barbuda has established diplomatic relations at non-ambassadorial level with Syria, according to a statement from the Ministry of Foreign Affairs here. The statement added that both governments have expressed confidence that the move will contribute to enhanced relations between the two countries, and will ensure "closer and mutually beneficial ties" between them. [Text]  
[FL190220 Bridgetown CANA in English 2230 GMT 18 Apr 83]

CSO: 3298/1245

## COSTA MENDEZ DISCUSSES FOREIGN POLICY ISSUES

Buenos Aires SIETE DIAS in Spanish 30 Mar-4 Apr 83 pp 6-7

[Interview with Nicanor Costa Mendez by Alberto M. Perrone; date and place not specified]

[Text] At the end of the war over the Malvinas Islands, Nicanor Costa Mendez was cited as the one to blame for the failure in the diplomatic area. In this article he explains carefully the steps that he took to achieve solidarity with the nonaligned countries. He discusses Alexander Haig's thwarted attempt as mediator and the United States' position during the war.

The twice foreign minister, Nicanor Costa Mendez, is unquestionably one of the key figures usually involved in the various interpretations given to the recovery of the Malvinas. In this respect, it is extremely compelling and enlightening, as well, to learn the position of the one who conducted the difficult negotiations during the war.

[Question] What prompted you to undertake your own solidarity and that of Argentina with the nonaligned countries, particularly after having made a statement expressing a different opinion?

[Answer] Many things have happened between the time that I was foreign minister on the first occasion, in 1968, and 1982. I changed, and the world changed. I had my experience as a university professor and as a public relations agent. In the meantime, there was the Prague spring, the United States' withdrawal from Vietnam, Richard Nixon's visit to China and even the recognition of the People's Republic of China, which joined the United Nations. This is a considerable amount for a long period of history, and far more for a short human life. Flying over the Andes mountains by plane is one thing, and engaging in Andeanism is something else. In 1968, I had less experience in the realm of international policy, and I was far more systematic than I am nowadays. For example, I went so far as to propose at the OAS that Cuba be invaded, but I would not repeat it now. Age brings a better judgment of reality, just as advanced age can cause a lack of balance. When I was in Cuba during the Malvinas war, I was there since that country was the headquarters of the Nonaligned Organization. And I would have gone anywhere that this historic meeting took place. It was essential that Argentina be present. What does not make sense is lending that presence a false ideological significance in the internal area. Argentina belongs to Latin America, and to the West as well; and with the Malvinas

experience I have ended up finding out a reality that has usually been denied, or at least, one that we have been unwilling to admit, in all its implications. Argentina is not Europe, and has very little to do with Europe; and I think that things will become better for us when we are the ones to recognize this to an increasing extent.

[Question] What incidents which occurred during the Malvinas war formed your present thinking?

[Answer] A war is something that causes the human being to change. I have experienced this, in spite of myself; because if I should admit anything, it is that, even during the conflict, I always sought to achieve peace. I can claim that the TIAR [Inter-American Reciprocal Assistance Treaty] came out much better than I, personally, had expected. It was a political position very consistent with what I think Latin America's future will be. Actually, for the first time I discovered that we Latin Americans have many more areas of unity than I imagined, and also more than is usually imagined in general. Now I see that the common denominator is greater and more effective than suspected. And this is one of the opportunities for encouragement; because therein lies the hope of bringing stability to the region and to each one of the countries. We are a difficult continent. Quite recently, the great Mexican poet, Octavio Paz, quite accurately observed that we have been created (not fortuitously) by two countries which ignored the modern age: Spain and Portugal. And this must end, in our current situation.

[Question] When did you make the first contacts to find out which countries would be on our side in the United Nations?

[Answer] I cannot answer that question for you.

[Question] When did you learn about the decision to invade, and what did you advise?

[Answer] Forgive me, but I cannot answer that for you now.

Thatcher Could Never Have Imagined It

[Question] Do you think that the prime minister of Great Britain acted carelessly by not considering the possibility of invasion?

[Answer] That has already been explained by the British "Frank investigation," which studied the background and the conflict with Argentina. Only the newspaper LA PRENSA discussed the matter, in a very good report from its London correspondent. In brief, that official commission proved with concrete data and evidence that, up until 2 April, Great Britain had ordered its diplomats to extend the negotiations, without ever taking the Argentine requests seriously. The "Frank" report concludes that Thatcher could not foresee nor prevent the military occupation of the Malvinas. And something very important which, for example, Gen Enrique Guglielmelli disregards in his analysis of the issue, as have the people from MID [Integration and Development Movement], is that Great Britain had the official report from the United States stating that the latter would remain neutral.



[Question] Then why did the United States Government change and come out in favor of Great Britain?

[Answer] This is only a personal conjecture. I would say that it was influenced by two things: One was Alexander Haig's failure as an envoy in carrying out the mediation through good offices. The American secretary of state must have assumed his status as mediator as a failure that would affect his political future, and decided to turn his country in favor of the British. Furthermore, during recent years there has been public opinion in the United States that is overtly unfavorable to Argentine. I suppose that both factors ended up causing a shift in the one that started out being an impartial mediator in the conflict.

[Question] Did you always consider the information that you were obtaining from our representatives in London and in the United States to be reliable?

[Answer] I cannot answer that question for you either. Remember that I am testifying before an investigating committee. Moreover, I shall soon be getting to the heart of all those questions in the book of memoirs that I am finishing, concerning what happened in the Malvinas, which will also include important documents, and conversations with Haig and other mediators.

[Question] What have you observed recently that has attracted your attention, since the new occupation of the islands?

[Answer] As Montesquieu remarked, there is also something that runs counter to the nature of things in the way that Great Britain has acted. One recognizes the great effort that they have made to remain on the archipelago and to isolate the area from its natural surroundings. That is also a result of the archaically imperialist position of Thatcher, an anachronistic, colonialist prime minister who takes action prompted by circumstances, and by no means as a statesman would have. She is exploiting the military success politically, but she is mortgaging the future of her fellow countrymen.

#### The Malvinas and the Beagle

[Question] The first time that you were foreign minister, were you really on the brink of providing a solution for the Malvinas problem?

[Answer] In 1968, I negotiated with Michael Stewart. We almost signed a memorandum for the final agreement. But, at that very time, a committee for the Malvinas Islands was created in London which, in Parliament, opposed any step forward that would benefit Argentina.

[Question] We are a country which, since elementary school, has observed Great Britain's desire to conquer us, through the force of its two military invasions; while the British disregard this fact, because no published book describes how they were conquered by the natives on the River Plate. Nevertheless, Argentina has traditionally sought that same country to be an arbitrator in its problems, even when the latter had the Malvinas in its possession. How do you explain this?

[Answer] I am pleased to reply that, in 1967, I opposed submitting the Beagle issue to it for arbitration. Until the time that I took action, there was no decision on this matter. Instead of British arbitration, I proposed submitting it to the International Court at The Hague, following a commitment with Chile. I considered that the most equitable action for both countries, because in that way it would have been clearly established that the finding would consider the value of the islands' occupation and also the two-ocean principle. When I left my position, on 10 June 1969, nothing had been settled. In any event, the Malvinas issue is far more important than the Beagle. By merely looking at a map of Argentina, one realizes that those islands, in addition to their potential value as an area for fishing and oil, are located in a fundamentally strategic position. And they are the gateway to the Antarctic, no less than that.

[Question] Why does your name appear associated with the present political campaign? And what will your decision be?

[Answer] I admit that it was a mistake on my part not to have joined a political party when I was young. Now, I shall do so as an opportunity for active participation in politics and, from that platform, for making a defense in certain international issues, as I think should be done.

[Question] What will you defend as a member of Congress, if you are elected?

[Answer] I have learned from everything that has affected my life. Without any need for resorting to the use of psychoanalysis, I agree with it that one matures only by accepting the truth, however hard and bitter it may be. This recent truth about the Malvinas has given all of us Argentines the opportunity to grow and to recognize ourselves. The country can once again achieve solidarity among all its parts. And my experience can help to channel us in that direction.

2909

CSO: 8148/1158

## BRIEFS

MILLET HARVEST FOR 1982-83--According to a preliminary estimate made by the agriculture and livestock secretariat, the 1982-83 millet harvest totals 160,000 tons. The Agriculture and Livestock Secretariat reports that this figure represents a 3.9 percent increase over the 1981-82 harvest. [Buenos Aires Domestic Service in Spanish 1030 GMT 15 Apr 83 PY]

GRAIN EXPORTS 'SOAR'--Grain exports rose 67.5 percent in the first three months of the year in relation to the same period in 1982, according to provisional figures issued by the National Grain Board. A total of 7,382,547 tons of grain were exported between January and March as opposed to 4,406,179 tons in the first quarter of last year. Wheat was the major commodity, with 3,184,571 tons exported. The chief buyer of Argentine grain during this period was the Soviet Union, importing just over four million tons, 54.4 percent and mainly wheat. [PY181929 Buenos Aires BUENOS AIRES HERALD in English 18 Apr 83 p 5]

BOLIVIAN MILITARY OFFICER SEEKS ASYLUM--Salta, 16 Apr (DYN)--Reliable sources have reported that a wounded Bolivian military officer has requested political asylum from Argentine authorities after he entered the country through the Pocitos border post. The Bolivian military officer, Army Capt Tito Montano, and his wife entered the country yesterday through the Pocitos border post located in the northern region of Salta. According to reports, Montano, who had a bullet wound, was arrested by border police officers upon his arrival and taken to the provincial capital where he requested political asylum. Montano, an officer of the Santa Cruz garrison, has reportedly stated that he had recently been demoted. He also said that he was wounded during an attack that was perpetrated against his house by unknown persons armed with rifles. The political refugee, whose health condition is not known, has reportedly noted that after this incident he decided to leave Bolivia and that he took jungle roads to arrive at the Argentine border with his wife. [Excerpt] [PY170047 Buenos Aires DYN in Spanish 1303 GMT 16 Apr 83]

SUIT AGAINST STATE SUBMITTED--Buenos Aires, 15 Apr (NA)--Court sources have reported that a suit against the state was submitted in court today to prevent the expulsion from the country of Elpidio Andres Rodriguez, Paraguayan citizen and Communist militant, held at the disposal of the Executive Branch due to the state of siege. The Communist Party criticized Rodriguez' expulsion at a time when the Executive Branch itself is trying to carry out the institutional

reorganization of the country within the framework of full political activity. The suit was submitted by lawyer Marcelo Jose Seltzer, Rodriguez' representative, in the court relating to actions under administrative law of Judge Ismael Carlos Gutierrez. Seltzer called the expulsion of this Paraguayan citizen, who since 1950 has retained permanent residence in Argentina and where he has a family of 10 children and several nephews, as arbitrarily and illegal. [Excerpt] [PY181644 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2115 GMT 15 Apr 83]

BOMB EXPLODES NEAR CHURCH FOUNDATION--Mendoza, 18 Apr (DYN)--It was learned from police sources today that a bomb made up of 600 grams of ammonia gelatin--a plastic explosive of great power--partially exploded destroying the windows of a downtown bookstore causing moderate damage but no injuries. The device was placed at the door of the Dialogo bookstore at 718 9 de Julio Street in this city. The police did not discard the possibility that the explosive device was aimed at the Cuyo church foundation which has its headquarters on the first floor of the same building with its access door facing the Dialogo bookstore. The explosion took place early Sunday, 17 April, at 0300 when the area was practically deserted. [Excerpt] [PY182236 Buenos Aires DYN in Spanish 1248 GMT 18 Apr 83]

SOCIALIST PARTY RECOGNIZED--The electoral court of appeals has reversed an earlier decision by Judge Eduardo Francisco Marquardt who had canceled the legal status of the popular Socialist Party. The court decision has thus returned legal status to the faction led by Guillermo Estevez Boero which had appealed Judge Marquardt's decision. Another faction led by Victor Garcia Costa had consented to Judge Marquardt's decision and created another group under the name of authentic socialism. [PY110210 Buenos Aires CLARIN in Spanish 22 Mar 83 p 5]

NEW LEFTIST PARTY--The former national line of the Popular Leftist Front (FIP, led by Jorge Abelardo Ramos) has created a new party called National Party of the Left [Partido de la Izquierda Nacional] which is led by Jorge Enea Spilimbergo. [Buenos Aires CLARIN in Spanish 3 Apr 83 p 6 PY]

NEW PERONIST FACTION--A new Peronist faction called National and Popular Movement [Movimiento Nacional y Popular] has been created recently. The group, led by Luis Angel Chamero and union leader Juan Carlos Maso, proposes that Peronism be organized now and that discussions on candidacies be postponed. [Buenos Aires CLARIN in Spanish 22 Mar 83 PY]

EXPORT, IMPORT FIGURES FOR 1982--Buenos Aires, 24 Mar (NA)--The National Statistics and Censure Institute reported today that Argentine exports dropped by 20 percent from January to November 1982, compared to that of the same period in 1981. While exports to the Soviet Union dropped by 50 percent, exports to African countries increased by 58 percent. Argentine imports also declined during this period: imports from Japan dropped from \$917 million to \$395.7 million; from African countries from \$100 million to \$29 million. [Buenos Aires NOTICIAS ARGENTINAS in Spanish 0135 GMT 25 Mar 83 PY]

NEW PATROL BOAT--Buenos Aires, 5 Apr (TELAM)--Navy Commander in Chief Adm Ruben Oscar Franco this morning attended a ceremony at which the Argentine Naval Prefecture commissioned the new patrol boat GC-24 Mantilla which was built in La Coruna, Spain. The ship is 67 meters long, 10.5 meters wide at the beam and its displacement is 1,000 tons. [Buenos Aires TELAM in Spanish 1605 GMT 5 Apr 83 PY]

AIRLINE AGREEMENT WITH ITALY--Argentina and Italy signed an air transport agreement which replaced the one which had been in force since 1948. The new agreement will allow both Aerolineas Argentinas and Alitalia to make three flights weekly between the two countries. [Buenos Aires LA NACION in Spanish 22 Mar 83 p 3 PY]

CSO: 3348/327



## TULL CITES BENEFITS OF NONALIGNED MEMBERSHIP

FL131720 Bridgetown CANA in English 1650 GMT 13 Apr 83

[Text] Bridgetown, Barbados, 13 Apr, CANA--Barbados says its recent decision to become a full member of the Non-Aligned Movement (NAM) was taken to enable the island to exercise more influence in world affairs.

Foreign Minister Louis Tull made the point in Parliament last evening in response to a question from the opposition Democratic Labour Party's spokesman on foreign affairs, Erskine Sandiford, who wanted to know what benefits Barbados would derive from being a member of the Third World organisation.

"...Full membership on the Non-Aligned Movement enhances the position of Barbados internally for it indicates clearly that Barbados identifies with the causes of fellow developing states--not only in the Caribbean, but in Latin America, Africa, and Asia," Tull said.

The Barbados foreign minister said the 101-nation NAM today exercised considerable influence on the policies and programmes of major world bodies like the United Nations (U.N.).

Tull added that the benefits to be derived from membership of the grouping, headed by India's Prime Minister Indira Gandhi, were "primarily diplomatic." He also said the NAM was actively engaged in encouraging cooperation between developing countries.

Guyana, Jamaica, Grenada, are among other Caribbean (Caricom) member states which are full members of the Non-Aligned Movement.

CSO: 3298/1246

## BRIEFS

**FOREIGN RESERVES RECORD**--Bridgetown, Barbados, 18 Apr, CANA--Barbados' foreign reserves reached a record level in January, surpassing the 200 million dollar (one Barbados dollar: 50 cents U.S.) for the very first time, latest Central Bank figures showed. They jumped by 20.7 million dollars from the December level of 188 million to reach 208.7 million in January, bettering the April 1981 record of 192.4 million. They had totalled 139.3 million dollars in January 1982. The Central Bank figures showed that Barbados' national debt had continued an upward trend up to January when it reached 291.5 million dollars, compared with 261.6 million for the same month in 1982. This was an increase of 4.6 million dollars over the December level of 286.9 million. The island's domestic debt for January was 472.9 million dollars, compared with 423.8 million dollars in January 1982. [Excerpts] [FL181910 Bridgetown CANA in English 1816 GMT 18 Apr 83]

**TULL MEETS ANC ENVOYS**--Foreign Minister Louis Tull yesterday reaffirmed the commitment of the Government of Barbados to promote the cause of South Africa's black majority. Mr Tull made this commitment during discussions with Ambassador Johnny Makhatini, the Permanent Observer of the African National Congress (ANC) to the United Nations, and Mrs Natathu M'batha of the ANC's New York office. Mr Tull said that the Government would examine ANC requests for assistance in the form of scholarships and would lend its support to efforts being made to counter propaganda favourable towards the South African regime. [Excerpt] [FL221945 Bridgetown ADVOCATE-NEWS in English 19 Apr 83 p 1]

CSO: 3298/1246

## PAPER TAKES ISSUE WITH IMPORT SUBSTITUTION POLICY

Belize City THE REPORTER in English 27 Mar 83 p 2

[Editorial]

[Text] TO MANY BELIZEANS the government policy of import substitution sounds like good sense. There is no doubt that Belize should try to save as much as she can in foreign exchange by producing those items which she can produce well for the local market. After all, Belize may never develop the ability to produce a local industry if domestic entrepreneurs are not given some encouragement.

The concept of import substitution is too sound for people to quarrel with it, but the application of this policy by the Ministry of Trade and Commerce in Belmopan leaves a great deal to be desired.

In the hands of Minister Guadaloupe Pech import substitution has become a contest--a contest to see how much the producers can get away with before there is a public outcry. Two examples will serve to illustrate the point.

The Government of Belize has given a development concession to Roses Paper Products Ltd., makers of toilet paper, napkins and paper bags. The purpose of the concession is to allow Roses to produce a product which is competitive with the imported product, to enable the company to supply the local market and to employ an adequate work force, paying satisfactory wages.

In return for this Roses is expected to provide toilet paper of acceptable quality at a price which has the approval of the Ministry.

That is the concept. But in fact Roses produces a roll of toilet paper which measures 124 feet and which costs 75 cents at the corner store. In quality and packaging the product is acceptable, but not comparable to toilet paper which comes across the border from Mexico and which sells for 55 cents a roll.

The texture of the imported paper is indisputably better, but the rolls contain only 109 feet, or fifteen feet (12.09 per-cent) less than the Roses rolls bring.

Even allowing for this 12 per-cent difference in quantity of paper per roll however, the price difference between the Mexican and the Belize product is a monstrous 36.36 per-cent. It means that the people of Belize are subsidizing the local industry to the tune of 24.27%. Assuming that there are ten thousand families in Belize using two rolls of toilet paper a week, that subsidy would amount to \$189,306 a year.

Let's take another example--nails. Quinto Industries enjoy a development concession and tax holiday for its manufacturing process of making nails and barbed wire. These nails, (taking a random size) sell for \$2.00 a pound. There is also a general ban on the importation of nails to oblige local builders and other to use the locally produced nail.

Qualitatively speaking, the local product is quite poor. They bend easily when used on hard wood and corrode easily. When they corrode, they cause a ring of rot to develop on the surface of wood around the nailhead. This allows moisture to seep in, so that a structure built with these nails would be expected to have a considerably shorter life-span than a similar structure built with imported nails. In a country like Belize, subject as we are to high winds, high humidity and corrosive seabreezes, these nails are no boon to the building trade or to home-owners.

Yet, despite the poor quality, Quinto nails cost 40 cents more per pound than imported nails. Assuming that builders in this country use an average of 500 pounds of local nails a day and that there are 300 working days in any given year, it would mean that the local people are subsidizing the local nail industry to the tune to \$60,000 a year.

This is a heavy and unreasonable burden for the people of Belize to bear, but our government asks us to bear it without batting an eye.

We think that import substitution is a good thing, but it will only work for the true development of the country in those cases where we learn to compete effectively with the imported product. The case of the local battery industry is an example of a good product standing up successfully against all comers.

We think that the time has come for a new set of guidelines to be drawn up for the government import substitution programme. They should incorporate two simple principles:

1. No monopolies or cornering of the local market.
2. No administrative clap-trap that will oblige consumers to subsidize an inferior product.

CSO: 3298/501

## UDP RELEASES DOCUMENT ON FIFTH ANNIVERSARY

PY151205 La Paz Radio Illimani Network in Spanish 1100 GMT 14 Apr 83

[Text] The National Executive Committee of the Democratic and Popular Unity, UDP, has released a document on the occasion of the UDP's fifth anniversary. The document was signed by MNRI [National Revolutionary Movement of the Left] leader Oscar Tamayo, MIR [Movement of the Revolutionary Left] leader Oscar Eid Franco and PCB [Bolivian Communist Party] leader Marcos Domic.

The document states that a front of exploited masses and democratic sectors was created on 13 April 1978 in response to the political claims made by an oppressed people against those who had usurped their sovereignty and political will and sold out and plundered the nation's wealth and natural resources.

The document also pointed to the successive defeats of the dictatorial regimes of Hugo Banzer Suarez and Juan Pereda Asbun, the All Saints Day coup [led by Col Alberto Natusch Bush on 1 November 1979] and Garcia Meza's criminal, drug trafficking and fascist regime.

The document adds that the UDP also broke the chain of military governments and it paved the way for constitutional government's peaceful advent to power in October 1982.

All the victories attained by the Bolivian people within such a short and dramatic period of our republican history point to the fact that the UDP was borne at the right time in our history.

The UDP is now leading the destiny of the fatherland with the government headed by Hernan Siles Zuazo who is implementing a program proposed by the people.

The document goes on to say that the UDP, on its fifth anniversary, takes the opportunity to point out that the difficult and complex tasks created by the current situation demand the unity of the left with the national and revolutionary UDP, an organization which is carrying out a mass struggle for the transformation of the current structures aimed at achieving a real social transformation and an authentic process of national liberation.



The document also points out that the UDP is ready to launch, whoever it may hurt, a program for the current stage of the revolution in accordance with the long struggle of the Bolivian people and their historical and political thought aimed at consolidating the alliance of the exploited classes and overcoming the current difficulties.

In conclusion the document calls for the strengthening of the UDP and the solution of the crisis, a solution which will be possible through frank political debate within the UDP National Executive Committee, a debate which would lead to the first UDP national meeting.

CSO: 3348/328

ARMY COMMANDER ON MORALIZATION OF ARMED FORCES

PY191537 La Paz Radio Illimani Network in Spanish 1100 GMT 19 Apr 83

[Text] Army Commander Maj Gen Simon Sejas Tordoya stated that the moralization of the Armed Forces is an urgent requirement which in the future will determine the prestige of this institution.

These statements were made by the army commander to journalists at the [name indistinct] Military College.

General Sejas Tordoya stated the great majority of officers are engaged in this task and that they support the decisions of higher echelons.

General Sejas Tordoya stated that the army's main task is to moralize the armed forces and reconcile it with the people.

[Begin Sejas recording] There is nothing to prevent the [word indistinct] of our military activities. On the contrary, I must point out that the members, mainly those of the Army, are aware that the moralization task which my branch is carrying out is necessary to recover the prestige of the Armed Forces and reconcile it with the people since some ill-intentioned comrades have alienated them. [End recording]

Radio Illimani asked General Sejas Tordoya about the search operations which the 8th division is carrying out in eastern rural areas.

[Begin Sejas recording] The army immediately ordered the commander of this large unit to carry out search operations as soon as we learned about the alleged existence of illegal groups in some areas of Santa Cruz Department. So far we have no information and there is no evidence of the existence of illegal groups. However, we have ordered the 8th division command to continue with the search in order to have a clear and concrete report on this issue. [End recording]

In referring to the task carried out with the purpose of moralizing and disciplining the Armed Forces he pointed out:

[Begin Sejas recording] Last year, among generals and officers, we dismissed 15 and this year, which is public knowledge, we have dismissed 5 officers so far. Among them is a division general who was a former defense minister. [End recording]

## BRIEFS

PRIN DOCUMENT ON CRISIS--The Revolutionary Party of the Nationalist Left [PRIN] intends to submit a document for the consideration of the constitutional government which assesses the national crisis and proposes solutions to the current situation. This document was issued by the PRIN Executive Committee which held a number of meetings during the past few days to reach this objective PRIN Secretary General Ramiro Carrazco reported. On referring to these objectives, Carrazco stated that PRIN intends to attack three sectors considered to be the main causes of the crisis: U.S. interference through the IMF, the private sector and the army. Regarding the IMF, Carrazco suggests that the government not accept its recommendations and withdraw from the connections the IMF has with the country. Regarding private enterprises, he stated that the private sector is controlled by the rules of the IMF and follows an individualistic policy which provokes an important flow of currency toward the industrialized nations. Carrazco concluded by saying that the army absorbs (?23) percent of the country's overall budget, not including the weapons purchase program. This percentage is estimated at \$200 million, the report adds. [Excerpts] [PY182125 La Paz Radio Illimani Network in Spanish 1700 GMT 18 Apr 83]

POSSIBLE YUGOSLAV SHIP PURCHASE--The Yugoslav Government has undertaken the commitment to study the possibility of building a ship for Bolivia that could be used for river and sea navigation, according to a protocol signed by President Siles Zuazo and SFRY Chief of State [as heard] Vidoje Zarkovic in La Paz last night. The protocol has seven items related to economic cooperation and commerce. It has been explained that Yugoslavia will build a ship for Bolivia under exceptionally favorable conditions in keeping with the protocol on economic cooperation signed on 2 October. [Excerpts] [PY170057 La Paz Radio Illimani Network in Spanish 1100 GMT 16 Apr 83]

CSO: 3348/328

## CENTRAL BANK CHAIRMAN: GOVERNMENT RESPONSIBILITY IN CRISIS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Mar 83 p 30

[Text] Rio de Janeiro--In a speech that he will deliver today at the 24th Annual Meeting of the Board of Governors of the IDB in Panama, Carlos Geraldo Langoni, chairman of the Central Bank, admits that Brazil is experiencing "a tight situation in terms of international liquidity and is vulnerable to other events in the market that may once again set off a new explosion of uncertainty." He also warns of the danger of a new financial shock due to higher international interest rates.

Langoni, who begins his discussion of the international economic and financial crisis on the third page of his 16-page speech, also admits that "the current difficulties in the developing countries cannot be attributed exclusively to external factors." In saying that, he is contradicting the line laid down in President Figueiredo's recent speech to his cabinet, in which the same external factors were said to be unilaterally responsible for the country's difficulties. Langoni says that "Brazil has also committed its quota of errors, especially in terms of the institutional rigidity that is expressed through the excessive presence of the state in the economy."

After saying that "Brazil managed to get through the most critical phase of the international financial market and succeeded last February in formalizing a plan for external funds in cooperation with the international banks that involved commitments totaling \$26 billion, in addition to an agreement with the IMF for 4.2 billion in SDR's over a 3-year period," Langoni describes that negotiation process as "extremely painful and risky." In his opinion, the Brazilian situation of vulnerability "needs to be altered."

For that to happen, "it is up to the private financial system itself to make a greater effort at integration and organized action so as to develop its own mechanisms for minimizing those external factors." The key component must be channels for access to information about the economies of the various countries so as to avoid what he calls "cyclothymic behavior" by the regional banks-- "which provide the indispensable mass of liquidity for the interbank market."

He adds: "Negotiated solutions almost always start with that presupposition by attempting to transform those credits into medium- and long-term operations." And he emphasizes that "there is no doubt, however, that a voluntary extension

of the debt profile of the developing countries seems to be the key element for a permanent solution to the problems involved in administering the foreign debt of those countries. As is known, Brazil many years ago adopted the policy of paying relatively higher spreads in exchange for longer repayment periods. This strategy is now providing us with valuable leeway in managing our foreign indebtedness."

#### Financial Shock

Langoni draws attention to the importance of the external dimension of the crisis being experienced by Brazil, saying that it is "inconceivable, for example, that we could stand a new financial shock represented by a repetition of the cycle of higher interest rates, and this increases the responsibility of the United States in conducting its domestic policy." He also regards it as "unjustifiable for the industrialized countries to use the resurgence of protectionism as a mechanism for resolving the imbalances in their balance of payments."

The chairman of the Central Bank also discusses the problem of restoring commercial and interbank credits, which he calls a "real puzzle that can only be solved properly to the extent that there is effective cooperation by the international banks" at the side of the central banks.

Langoni says: "In a situation in which the market forces do not in fact operate spontaneously, it made no sense to adopt the orthodox position that 'risk is exclusively a matter for the banks' or, what is worse, to try to legislate concerning a de facto situation by imposing even greater rigidity on bank action through new restrictions at a time when what we really need is flexibility and adaptability. It is worth recalling that the greatest responsibility of the monetary authority is undoubtedly the stability of the financial system as a whole."

Langoni continues: "The Brazilian case also illustrates what I am saying in that we chose a voluntary commitment by the banks as regards both their commercial and their interbank lines of action and tried, through coordinated action--including an appropriate price structure--to transform informal lines into formalized ones. This strategy, which preserved the private character of our financial system, is beginning to yield results, because we have already restored \$1.5 billion in interbank lines and obtained commitments totaling \$10.3 billion for commercial lines, which are now already in a gradual process of actual disbursement."

The chairman of the Central Bank also advocates a "more intensive effort to replace private sources by multilateral sources of funds." He criticizes "the timidity with which this topic is being dealt with," especially as regards the strengthening of capital in the institutions that already exist as well as their ability to mobilize funds. After citing "the indecisiveness of the IMF at the Toronto meeting," he praises the aggressive attitude of the fund, "which has begun to play an active and decisive role in the mobilization of international banks" in addition to acting, because of the backing it provides, as "the indispensable passport giving access to the financial market."

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CSO: 3342/88



## ITAIPU OPERATIONS RESCHEDULED

PY240351 Rio de Janeiro O GLOBO in Portuguese 20 Apr 83 p 21

[Excerpt] Brasilia--Yesterday Gen Costa Cavalcanti, president of Itaipu Binational Entity announced a new rescheduling of operations for Itaipu's hydroelectric dam turbines. Instead of three units, only one will start operating this year and two more units will go into operation next year. As of 1985, three units per year will begin to operate, up to 1989, when all 18 turbines will be generating power.

The delay in installing the direct current powerline, which will be completed only next year, and the decline of the Brazilian energy market were the two factors that Gen Costa Cavalcanti pointed out to justify the new rescheduling of Itaipu operations, which represents a delay of 1 year for the project. According to the previous schedule, all 18 turbines were to be in operation by 1988.

The turbine which will begin operating during the second half of this year will supply only Paraguay, which already has finished putting up its power line. Still, as Gen Costa Cavalcanti explained, that unit will generate barely 30 percent of its output, 700,000 kilowatts, since the Paraguayan market is in a position to consume all that energy.

Yesterday's meeting of the Administrative Council of Itaipu Binational Entity commemorated the 10th anniversary of the organization and approved a Brazilian Electric Power Companies, Inc [Electrobras] loan amounting to 237.4 billion cruzeiros. This loan will cover more than 50 percent of the 403 billion cruzeiros that Itaipu plans to invest this year.

Gen Costa Cavalcanti says that the remainder of Itaipu's investments shall be covered by foreign loans, from the National Economy and Social Development Bank (BNDS), by the FINAME [Fund for the financing of machinery and equipment], and by Banco do Brasil. He said that the final cost of the Itaipu project, is estimated at \$14 billion, yet he emphasized that, because of the delay in its schedule, "the costs will slightly exceed this amount."

CSO: 3342/102

## NEW CHALLENGES CONFRONTING NAVAL OPERATIONS DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Mar 83 p 164

[Article by Ruy Portilho]

[Text] Rio de Janeiro--Maintaining the training level of its forces and monitoring Brazilian waters while simultaneously taking maximum advantage of opportunities to rationalize its spending constitute the new challenge confronting the navy as it faces growing budget restrictions. Of the 168 billion cruzeiros requested for 1983, a little less than half--80 billion cruzeiros--was finally included in its budget, and even that was granted only after exhaustive argument succeeded in warding off the specter of impossible survival on only 67 billion cruzeiros.

As a result, the deadline for completing modernization and reequipment investments has been extended. The pace of some long-term programs or even new equipment acquisitions is actually dependent on the obtaining of foreign financing. Adm Paulo Bonoso, chief of naval operations, points out: "Our priorities for this year are to pay for the frigates acquired in Great Britain and to maintain the level of our activities. We have practically no investments of our own in 1983, with the exception of a few supplementary projects whose postponement would mean the loss of previous investments."

#### Fuel and Ammunition

Admiral Bonoso continued: "Despite the restrictions, we are keeping training at a high level, and this can be credited to the very careful planning of our operations. As a result, we are able to avoid any reduction in the number of fleet movements for exercises. The rationalization of operations--chiefly as regards fuel consumption and the use of ammunition--constitutes the most serious element in our planning."

Not too long ago, submarines accompanied all task forces to their exercise areas. Since they are slower than surface vessels, the surface fleet would be slowed down, with a resulting waste of fuel. Now the submarines leave a few days earlier for the coastal areas where their presence will be required, and no harm is done to the exercises as a result.

The rationalization effort also shows up in overall planning for navy events. For example, the latest movement of the fleet, from Rio de Janeiro to the port

of Rio Grande, combined naval exercises with the ceremonies for transferring command of the Fifth Naval District and also served to train midshipmen from the Naval School.

Admiral Bonoso comments: "Despite our concern to rationalize our operations and thus participate in the effort being made by the country to cope with its economic difficulties, it is worth recalling that the navy's annual expenditure on fuel equals only 53 percent of Brazil's daily fuel consumption. Let us agree that that is not much if we relate it to the responsibilities we have."

#### Response to Aggression

The concept of the "ready force," in which a nucleus of ships, even though small, is permanently ready to go into action, currently dominates naval military thinking and is being put into effect despite all the difficulties. The chief of naval operations himself, who has 27 other admirals, the entire Brazilian fleet, and all six naval districts under his command, recently tested the navy's ability to respond to a sequence of aggressive acts at such different points in the national territory as the city of Belem in Para and Trindade Island in the Atlantic Ocean. In the end, he expressed satisfaction. He concluded: "The personnel were imbued with the concept of the ready force and responded satisfactorily to the demands placed on them. Of our 12 destroyers--all of which are over 40 years old--10 were able to put out to sea and carry out their missions. Our training situation is very good."

Admiral Bonoso recalled: "It would be wrong to say that we have a navy capable of completely fulfilling our constitutional task. But we must adapt to the economic context being experienced by the country--and even more so now, when the economic situation requires sacrifices by everyone."

#### Limitation Is the Rule

In line with that same thinking, Vice Adm Henrique Saboia, fleet commander in chief, comments that "the navy's funds are not what we would like, but they have not been reduced to such an extent that they are harming training." Admiral Saboia, who commanded the task force that went to the southern part of the country in early February for "Operation Temperex 1," explains that "every navy in the world has its limitations. For example, no country that is at war will have an unlimited quantity of munitions. In war itself," he concluded, "limitation is the rule."

"Any fleet should be measured by a particular country's interests in the sea. Whether we have the appropriate means or not, we are still responsible for standing guard over Brazilian waters. Our navy ought to have grown in proportion to our foreign trade and the production of offshore petroleum. But because of economic limitations, we have not been able to grow as we should have."

#### Naval Exercise no Tourist Excursion

"No, the 'Minas Gerais' does not have a swimming pool," Lieutenant Cesar told me with a somewhat suspicious look. "Despite its size, all the available space

has a military purpose," he continued after making sure that I was not joking with him.

Throughout the 7-day voyage aboard the aircraft carrier "Minas Gerais," other myths and a few prejudices were to wind up being thrown overboard for good--chiefly those associating fleet movements with a sort of collective pleasure trip on the high seas. Instead of swimming in a pool, sipping scotch, and munching canapes in midsummer, my press companions and I, along with photographer Jovecy de Freitas and movie cameraman Gilberto Machado of Record TV, tried to get used to the diet of naval exercises.

In the beginning, the shipboard jargon rounded out the novelty of examining the narrow passageways and steep ladders of the aircraft carrier. In the immense steel hive that navigates miles from the coast, every object has a name that may date back hundreds of years.

Lieutenant Lelis corrected me with a smile: "Here, we say 'rope' only when we are talking about a bell or a clock. Otherwise, we say 'line.'" Between one activity and another, we learned to use the new words: "hawser" (a jute rope used for mooring the ship), "hawsehole" (a projection at the edge of the deck around which the steel cables used to tow the ship pass), and "capstan" (a kind of cylinder powered by an electric motor that helps to take in or tighten a line).

#### Floating City

Exploring the "Minas Gerais"--214 meters long, 45 meters wide, and about 20 meters high--meant discovering a floating city devoted almost entirely to the job of launching and recovering aircraft. But while the carrier's main purpose is impressive because of all its show--with its squadron of twin-engined P-16 aircraft and its SH-3D, Esquilo, and Wasp helicopters--the support or backup activities are also surprising in their detail.

For example, the "Minas Gerais" has a plant for producing oxygen and nitrogen--the oxygen for use by the pilots at high altitudes and the nitrogen for neutralizing gasoline vapor next to the fuel lines that supply the aircraft. The drinking water consumed on board the ship is extracted from the sea itself and processed in two distillation units capable of producing a total of 340 tons in 24 hours. This means that each of the 1,300 men making up the normal crew has access to 260 liters of water per day--more than the average consumption on land. Three barber shops, three libraries, a tailor shop, a shoe shop, a laundry, and three bars, where purchases are paid for in cash, make the long stay at sea less arduous. To deal with medical emergencies, the "Minas Gerais" has a health department capable of overseeing five infirmaries, an operating room, a lab for tests, an X-ray room, physiotherapy, a dentist's office, and even a bandaging room.

Erve Nogueira, currently navy director of public relations and former chief of the "Minas Gerais" Operations Department, says: "Our concern for safety is what keeps the infirmaries empty. In combat, however, the 'Minas Gerais' will have to provide medical care for the fleet units protecting it."



## Aquatic Ballet

But it is in the flights and in its command functions that the "Minas Gerais" fulfills its vocation. Intended to be the nucleus of an antisubmarine task force, it not only provides air support for locating and destroying an underwater enemy but also coordinates and directs all its accompanying surface units--generally frigates and destroyers for a total of six or eight vessels.

An exercise such as resupply with submarine opposition mobilizes the entire task force in a sort of aquatic ballet around the tanker ship and includes the twin-engine P-16's and the huge, turbine-powered SH-3D's produced by Sikorsky, which are responsible for the advance detection of any submerged object in the area.

The P-16's and their personnel belong to the 1st GAE (Carrier-Borne Aviation Group) of the Brazilian Air Force, whose headquarters are at the base in Santa Cruz, Rio de Janeiro. The job of those aircraft consists basically of dropping small sonobuoys that will record any underwater noise in their immediate vicinity. From within the aircraft, an operator interprets the signals sent back to him from each buoy. If he suspects that someone is there, he directs the pilot to skim the surface at the site previously designated, actuating at the same time the magnetic anomaly detector (MAD), a device carried under the tail of the airplane. Depending on its depth, the metallic mass of a submarine is not likely to escape detection by the MAD's sensors.

Both the launching and the recovery of any aircraft are surrounded by exceptional safety measures. Even so, the landing of a twin-engine aircraft always surprises one by its daring. Seen from the flight deck in the final moments of their approach, the planes seem to move to one side and always appear very high in relation to the ship's deck. Unexpectedly and quite clumsily, the twin-engine plane drops to the deck with its 7 tons and then continues for some 50 meters before finally being stopped by a steel cable hooked to its tail.

## Chasing the Enemy

Comdr Jose Luiz Gatti, who commands the 1st Antisubmarine Helicopter Squadron (which uses the impressive SH-3D's), explains: "The work of searching for a submarine from the air requires patience and determination."

Hovering motionless between 10 and 15 meters above the surface of the sea, the helicopter lowers a cylindrical sonar attached to a cable and submerges it in the water. And for about 6 minutes, an operator "listens" to the sea bottom. If nothing worth further investigation is detected, the helicopter moves on to another location and repeats the operation in an interminable process of submarine detection.

"Normally, these flights are long and drawn out (4 hours on the average), tiring, and monotonous. The picture changes only if the sonar picks up a noise indicating the presence of a submarine," says Commander Gatti. When that happens, the Combat Information Center (CIC) of the "Minas Gerais"--which directs the missions of the aircraft, helicopters, frigates, and destroyers deployed around it--is advised immediately.



"Three Victor, this is One-Two," calls the helicopter. "Contact bearing zero-ninety. Distance: 5,000 yards. I am going to investigate."

A warning of this kind generates excitement in all those involved in the communications network. The monotonous search is transformed into feverish pursuit.

The CIC officer responds: "This is Three Victor. Proceed to zero-ninety. You are free to investigate the contact."

But the suspense is not always followed by more information justifying the sending of other units to the area. After some time, there is a new message:

"Contact investigated and identified as a whale. Advise the helicopter."

"One-Two, this is Three Victor. Return to your search sector."

#### Light Cargo

The passenger is not on board for long before he realizes that in the navy nothing is left to chance. Sometimes it is even difficult to describe the minutiae surrounding some operations. The transfer of light cargo, for example (a typical task on ships and one performed entirely manually), involves the transfer from one ship to another via cable of any object whose weight can be transferred horizontally by the strength of a few men. Its perfect execution may mean the difference between success and failure in moving wounded men, food, clothing, equipment, ammunition, and a great number of other items, all with the ships in full movement and without any time being lost.

The safety of the operation was tested personally by photographer Jovecy de Freitas, who agreed to be transferred from the "Minas Gerais" to the destroyer "Alagoas" and then to be returned in the same manner. His gesture, hailed as courageous by a number of experienced officers, had the effect of getting us fully accepted as members of the "Minas Gerais" crew almost at the end of the maneuvers being carried out along Brazil's southern coast.

Capt Paulo Daldegan Moreira, captain of the "Minas Gerais," said: "These were important exercises, chiefly because they were carried out under the actual conditions of war at sea. Tough? The men like that. They work hard, but they are satisfied at the end of the day. That is the wonderful spirit of the navy."

#### Brazil Will Build 12 Corvettes

At a slower rate than initially planned, but still following the original design, the navy will begin construction in June of the first of an initial series of four corvettes designed entirely in Brazil. They will replace the old U.S. destroyers from World War II. In all, 12 corvettes will be built in groups of four, and if the current schedule is maintained, the first of them will be in operation as early as 1987.

The navy's reequipment program also calls for the addition this year of four Sikorsky helicopters of the new ASH-3 type, produced in Italy. Another new item is the start of construction on the first German submarine of the IKL type, in which Brazilian engineers and supervisors will be involved. All of these acquisitions were possible only with foreign financing.

Designed so as to permit the naval arms industry to continue the expansion that began in the 1970's, the Brazilian corvettes will benefit from the know-how acquired through construction of the frigates, which they will resemble as far as their features and armament are concerned. Like the frigates, the modern corvettes will be equipped with Exocet and Sea Cat missiles and surface and air defense guns. Each will also carry a reconnaissance and attack helicopter.

The first two will be built at the Navy Yard. But to enable the private ship-building industry to acquire know-how in the construction of warships, the navy is offering to let private shipyards build the other two.

There is already a definite schedule for construction of the first group of corvettes: a new vessel will be started every 6 months. It is expected that the remaining corvettes will be scheduled in groups of four. When the total of 12 has been completed, the next goal will be to export that class of warship.

Navy officials point out that another advantage of the corvettes is that they will use smaller crews: between 80 and 100 men. That number is approximately half the number required to man a frigate and one-third of the number required for the destroyers that these corvettes will replace. The smaller crew will be possible thanks to the use by the corvettes of highly sophisticated equipment capable of replacing equipment whose operation requires a great number of people.

#### Helicopters

The new Sikorsky helicopters that will begin joining the old SH-3D's in the 1st Antisubmarine Helicopter Squadron are being built by Agusta in Milan. They are quite similar to the models currently in operation.

The main innovations in the ASH-3 are a dipping sonar that is lighter and more powerful and effective in shallow water; a search and navigation radar; a "tactical navigator" (a kind of flight computer capable of rapidly solving interception problems); a greater capacity for carrying air-to-surface missiles, and so on.

As far as the IKL submarines are concerned, an initial series of two units has been decided on. They are planned in such a way as to transfer the know-how for construction of that kind of equipment to Brazil. The first submarine will be the only one built entirely in the FRG. But even in its case, several Brazilian naval engineers and technicians, in addition to navy officers acting as supervisors, will be involved in each stage of construction.

The second IKL submarine will be built 1 year later at the Navy Yard under the joint supervision of German and Brazilian technicians. The intention then is that a third unit will also be built in Brazil without any German participation being required "except for the manufacturing license," to quote one official.

11798

CSO: 3342/88

## BRIEFS

SECOND ANTARCTIC MISSION FUNDING--Brasilia--Minister of Navy Adm Maximiano Fonseca has released 1.2 billion cruzeiros for the second scientific mission to Antarctica, which will take place beginning in December of this year. Among other purposes, the funds will be used to purchase the equipment and permanent supplies necessary for "substantial scientific research in the Antarctic region for the purpose of understanding the phenomena occurring there and their influence on Brazil." Also yesterday, the minister released 2.3 billion cruzeiros for the General Secretariat of Navy for use in studies to increase our understanding of the sea adjacent to the Brazilian coast, its phenomena, and its soil and subsoil. The purpose is to increase the capability for developing the living, mineral, and energy resources of those areas. To carry out hydrographic surveys of the navigable tributaries of the Amazon, Paraguay, and Solimoes Rivers, the minister released 161 million cruzeiros for the procurement of expendable supplies and permanent equipment. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Mar 83 p 9] 11798

CSO: 3342/88

BRIEFS

NICARAGUAN PLANE VIOLATES AIRSPACE--A brief report from the rural assistance guards in Los Chiles and Upala indicates that a Nicaraguan airplane overflowed the area yesterday, but could not be identified. The airplane apparently belongs to the Sandinist forces. The report from our rural authorities stated that the plane overflowed Los Chiles and Upala for only a very few minutes.  
[Text] [San Jose Radio Reloj in Spanish 1330 GMT 24 Apr 83]

CSO: 3248/698

## CARICOM'S EFFORTS ON LOCAL CURRENCY NOTED

FL142331 Bridgetown CANA in English 1809 GMT 14 Apr 83

[By Paget Defreitas]

[Text] Kingston, Jamaica, 14 Apr, CANA--There was renewed optimism today that a Caribbean Community (Caricom) trade wrangle, sparked off by Jamaica three months ago, could be resolved.

Kingston last night apparently made concessions on its contentious dual currency exchange system, during talks here involving Jamaica's Minister of Foreign Trade Hugh Shearer and his counterparts from Barbados, Antigua and Barbuda and Trinidad and Tobago.

Mr Shearer, who has been caucusing with the group since Monday, presented them with a document outlining his government's initiatives for solving the problem which has slowed intra-regional trade to a trickle in the last three months.

The contents of that document have not been revealed, but Barbados' Lester Bird, the latter negotiating on behalf of the seven-member Organisation of East Caribbean States (OECS), believed that the proposals were an improvement.

"The document is in circulation among us and it is an advance," said Mr St John, adding that it was being studied by the technocrats.

Mr St John said that there was a possibility that he could be in a position by tonight to give a firm response to the Jamaica proposals.

Mr Bird, in the same vein, said that the Jamaica proposals had moved the talks "significantly forward," but stressed that the issue was still "very delicate."

Only Trinidad and Tobago's Industry and Commerce Minister Desmond Cartey was completely guarded in his response to it today.

"I have not yet formed a position," Mr Cartey told CANA. "There is a document and their (Jamaica's) position is being studied."



Mr Cartey said that the issue would become clearer after he has received figures requested from Port of Spain, but he did not indicate what these statistics related to.

The trade problems developed with the January 10 introduction by Jamaica of a dual currency exchange regime which had the effect of making most Caricom imports here about 50 percent more expensive while giving local producers a competitive edge.

The official rate is J1.78 dollars for one American dollar, and this is used for imports considered to be essential, raw materials to be used in products for export and some foreign payments.

Other imports, including most of those from Jamaica's partners within the 12-member Caribbean Community (Caricom) are at the significantly higher parallel market rates, set by individual commercial banks. Duties on these goods are also calculated at the parallel market rate.

This has been the crux of the problem, for Caricom states argue that the monetary regime has eroded their competitiveness on the Jamaican market, while Jamaican exporters who imported their raw materials at the parallel rate, gained an advantage in the region.

In an effort to regain some competitiveness the Barbados Government floated its dollar against the Jamaican currency, and Trinidad and Tobago retaliated by placing all Caricom products that were on its negative list under licensing regime.

In essence, what most people wanted, recognising Jamaica's wish to give its exporters an incentive, was a special Caricom rate that lessened the differential in raw material cost between the Jamaican manufacturer and his counterparts on the community.

But Jamaica, because of commitment to the International Monetary Fund (IMF), has apparently been reluctant to consider this proposition.

Jamaica however appeared willing to give Caricom a separate import quota instead of having it fall inside the global import quota set at 1.5 billion U.S. dollars for the current fiscal year.

Under an incentive scheme here, manufacturers who export to Caricom are guaranteed foreign exchange (for raw material and other related purchases) at the cheaper official rate, to the tune of 80 percent of the value of their projected exports for the year.

The argument against this system is that it places such producers at an advantage over their Caricom counterparts, whose raw materials would be calculated here at the vastly more expensive parallel market rates.

## COUNTRY'S NEED FOR DEBT, PURCHASES SEEN

FL182140 Bridgetown CANA in English 2044 GMT 18 Apr 83

[Text] Kingston, Jamaica, 18 Apr, CANA--Jamaica's minister responsible for foreign trade, Hugh Shearer, says that the country will this year need more than 1.8 billion dollars (U.S.) to service its debts, buy oil and acquire food and raw materials.

Mr Shearer gave the figure in a speech to the Jamaica Exporters Association (JEA) in which he underlined the need for the country to expand its productive capacities in order to earn the required foreign exchange.

"When we speak of the country's need to earn foreign exchange to pay off its debts, do we understand what numbers we are talking about?" Mr Shearer asked. "Do we understand how much foreign exchange we must earn simply to meet our debt payments this year?"

He said that 540 million dollars (U.S.) would be required for debt payments alone, 360 million (U.S.) for fuel and 960 million (U.S.) for other imports.

And, stressing the need to earn in order to meet these payments, Mr Shearer said: "We cannot expect to meet the situation simply by borrowing more money."

Jamaica's foreign debt at the end of last year stood at 2.4 billion dollars (J).

During 1982 the country had a negative trade balance of J1.1 billion dollars on imports of J2.4 billion dollars.

However, government projections are for at least 20 percent increase in earnings from non-traditional exports, which with a curb on consumer imports narrow the trade gap.

"We speak of expanding our exports not only to earn more foreign exchange, but also to create more employment so as to ease the heavy unemployment burden the country is now bearing," Mr Shearer said.

Noting that latest figures put the number of unemployed at 27 percent, Mr Shearer said: "This means that some 280,000 Jamaicans are without a job."

Of this total some 40.5 percent are women and 50.7 percent of the unemployed are between the ages of 14 and 24 when attitudes to work and carrier paths are being formed."

He said that these had to cause grave social concern, and the issues could only be addressed by increasing productivity here, for friendly countries and financial institutions could offer only short-term help.

Added the minister: "We cannot assume that such assistance will be available for ever. We cannot as an independent people plan on external dependence, on foreign assistance.

"We must plan on a basis that will enable us to put increasing numbers of people into productive work and to build our own production so that we can sustain our own needs."

CSO: 3298/1247

## REPORTAGE ON CLOSING OF 'DAILY NEWS'

## Placed Into Receivership

FL210310 Bridgetown CANA in English 0058 GMT 21 Apr 83

[Excerpts] Kingston, Jamaica, 20 Apr, CANA--The financially-troubled government-owned JAMAICA DAILY NEWSPAPER, which has been waging a grim battle for survival, was yesterday placed into receivership for the second time in its 10-year history.

The Jamaica Commodity Trading Company (JTC), the government's purchasing agency, confirmed that it had appointed accountant Ken La Cruise receiver for the morning tabloid in order to collect a half million dollar (1 JCA dollar, 56 cents U.S.) debt for newsprint.

The paper's 100 employees first heard that it was being placed into receivership in a radio news report.

Mr La Cruise, of the firm of Coopers and Lybrand, is to meet the workers today to outline his plans for the publication.

The papers editors refused to comment on the latest developments until after those discussions.

"...Hopes nourished by the country at large and the workers themselves at the DAILY NEWS have been betrayed by a cancerous intransigence and mysterious neglect," wrote the paper's chief reporter, Desmond Allen, in a column recently.

The country, he said, should be made to know the true position with the paper and asked: "Is somebody waiting for it to die? Should the DAILY NEWS colour itself green (of the ruling JLP) and have to change to orange (of the PNP) when a new administration comes?"

And in an editorial this month, the paper said: "The DAILY NEWS does not argue that the government has a special responsibility towards it.

"Rather it argues that as owners, as expressed believers in a free press, the government through the ministry of tourism and information has a

responsibility to ensure that those who work and who manage the affairs of the company are facilitated to do their jobs."

But consultant Simmonds, claiming mismanagement at the company, responded: "The government cannot use money collected from the general public to support the employment of a few or to disseminate opinions, except for "good cause," as you and your columnists seem to assume.

"The stated policy of the government is that all public owned enterprises must work towards viability so that they will not require budgetary support in order that tax revenue can be channelled into those areas where it is essential to the life and welfare of the society."

#### Ceases Operations

FL220130 Kingston Domestic Service in English 0000 GMT 22 Apr 83

[Excerpts] The operations of the JAMAICA DAILY NEWS was suspended today and with only about 1/3 of the work retained. The workers said they were told by receiver Ken La Cruise he could not guarantee the reopening of the newspaper plant.

The workers said he told them that the suspension of the paper would be for a minimum of two weeks and during that time he would do a study of the operations of the company to determine whether it would be closed for good or the operations would resume.

CSO: 3298/1247



## METROPOLITAN AREA COST OF LIVING RAW DATA

## Short-Measure Milk Sales

Mexico City EL DIA in Spanish 3 Mar 83 'Metropoli' Supplement p 9

[Excerpt] The secretary of women's action of the Confederation of Popular Settlements, Dolores Velazquez, charged that containers of milk in tetrapak, brands "Lala," "Alpura" and "Boreal," supposedly a liter, are short up to 250 mililiters.

## NZT Fruits, Vegetables

Mexico City EL DIA in Spanish 3 Mar 83 'Metropoli' Supplement p 9

[Text] Fruits and vegetables continue increasing in price, the same as fish produce.

METROPOLI made a check through the main public markets of Naucalpan, Tlalnepantla and Atizapan (Zone NZT), that showed the following results:

A kilogram of chile peppers is between 180 and 200 pesos, cauliflower, from 59 to 70 pesos a kilo; spring onions, from 30 to 40; large onions, 40 to 50; tomatoes, 40; cooking tomatoes 40; carrots, 40; and small pumpkins 85.

White potatoes, 24; sweet potatoes, 35 stringbeans, 60 beets, quelites [Mexican cooking herb] and spinach, from 40 to 50 pesos a small bunch; nopal [cactus fruit] at 8 pesos for a small one and 10 for the regular size.

As for fruit, the "tabasco" banana is sold for 25 pesos a kilogram; papaya for 35; lemons for 35; apples from 150 to 200; strawberries from 200 pesos and oranges for 1.20 pesos each.

## Chickens at Bargain Rates

Mexico City EL DIA in Spanish 7 Mar 83 'Metropoli' Supplement p 2

[Excerpt] As part of a test program to try to counteract the high cost of living and retailer abuses, poultry farmers from Atiplano, made available 5,000 chickens at popular prices.

The birds, said Fernando Zavala Grisi, are selling for 100 pesos a kilogram in the vicinity of the municipal market of San Agustin, in the jurisdiction Ecatepec de Morelos.

The sale of that meat will be made daily in several municipalities of the State of Mexico and later will spread to the Federal District.

The chicken commercialization campaign tends to bring down the high cost of living and the abuses of retailers, who despite the fact that now this meat can be bought cheaply, offer it at up to 280 a kilogram.

#### Abundant, but Costly, Fish

Mexico City EL DIA in Spanish 7 Mar 83 'Metropoli' Supplement p 8

[Text] With Holy Week approaching, seafood merchants continue raising fish prices, nopales, "whiting" and other typical Lenten items.

In accordance with a survey carried out in the public markets of Naucalpan, Tlalnespantla and Atizapan (Nzt), it was noted that mackerel and striped mullet, the fish most commonly consumed are recording prices of 600 and 450 a kilogram respectively.

Mojarra is 450 pesos, while sea bass and braize is priced at 900 pesos a kilogram.

Hake fillet is sold for 750.

Merchants and vendors of nopales sell them at 50 pesos for 4 small ones.

A kilo of "whiting" is sold for 300 while sunfish is 400.

We verify that although fish is plentiful, no one will buy it at these high prices.

#### Price Comparisons

Mexico City EL DIA in Spanish 8 Mar 83 'Metropoli' Supplement p 2

[Article by Matilde Perez]

[Excerpt] Everything is so expensive and money no longer is sufficient," a phrase repeated by housewives that never cease to be amazed at the high prices of basic items and also do not cease protesting those "well-known" concealment practices.

Despite it all, consumers who have recourse to Merced commented that prices are a little lower than those of the area's markets (settlement) and supermarkets.

For example: they said the contrast in vegetables is 5 to 15 pesos in comparison to costs in Merced, thus, potatoes that here cost 22 to 25 pesos a kilo, in other markets are 30 to 35 pesos; stringbeans and peas here at 85 go for 90 and 95 pesos; tomatoes here 35 to 60 go for 70 and 75 pesos. Nevertheless the minimum wage is, as reported by several trade union representatives, insufficient for the increasing deterioration of rising prices, that up to now is 10.26 percent.

And the concealment practices? There is a meaningful example: for weeks there has been no wheat flour in shops. The reasons given by the merchants are: "There isn't any," "distribution," "we are not to blame."

In self service stores such as Aurrera and Gigante, in several CONASUPO and even in the Merced stores, the product is not to be found. Only in one store could the so-called whole wheat flour be found, but "sale is limited because there is hardly any."

Egg prices also are not heeded, that vary according to area thus in Merced a kilo cost 69 pesos, in self service commercial shops between 70 and 73 pesos and in the small ones between 75 and 80 pesos. Regarding this item it is fitting to point out that in the market of the La America settlement, only one store sells them and housewives must line up for many hours, in addition to the violation of the official price.

#### Basic Commodities in Nezahualcoyotl

Mexico City EL DIA in Spanish 9 Mar 83 'Metropoli' Supplement p 8

[Text] Ciudad Nezahualcoyotl Mexico 9 Mar--Two million persons who live in the 55 settlements that make up the municipality, are victims of the chaos that prevails concerning the cost of items of basic need. The official prices are not heeded.

The above was reported by housewives from the Maravillas, La Perla, Metropolitana and La Aurora settlements, headed by, Irene Rocha Garcia, Yolanda Gasca Alcantara, Teresa Macias and Simona Rojas Frias, respectively.

Our informants pointed out that milk, the price of which is 24.50 is sold for 35 pesos a liter; beans priced 28 pesos are sold at 50; white bread 70 grams, is priced at 3 pesos a loaf, cooking oil at 120 pesos a liter; beef, 400 pesos a kilo of beefsteak; chicken, at 400 pesos, and striped mullet and mackerel the fish most popularly consumed, is sold at 700 pesos a kilogram.

The representatives from the settlements said that in this municipality a Price Control Office does not exist, so merchants can arbitrarily price items of basic need, knowing that they are not watched over by any authority.

## Water Sales

Mexico City EL DIA in Spanish 10 Mar 83 'Metropoli' Supplement p 8

[Excerpt] Atizapan, Mex, 9 Mar--Thousands of inhabitants of the popular settlements no longer will bear the abuses of the "cask vendors," who line their pockets selling water for 30 to 50 pesos, a 200 liter barrel in the high regions of Atizapan.

So said Manuel Viveros, Alberto del Valle and David Neyra, among other inhabitants of Ciudad Lopez Mateos.

Our informants expressed their ill feeling towards the owners of the "casks" some of whom "load their cistern carts in El Pedregal and others behind the backs of the municipal government.

The owners of the "casks," the settlement representatives reported "make their August in February" running, with impunity a black market in "white gold" that sells for 30 pesos a 200 liter barrel in the suburbs of Las Acacias, Jardines de Atizapan, Atizapan Moderno, Lomas de Atizapan, Capistrano and La Canada and for 50 pesos for the same amount of liquid in Lomas de Guadalupe, Lomas de San Lorenzo, Lazaro Cardenas, extension of the same name, San Martin de Porres, etc.

## Capital Egg Price Variations

Mexico City EL DIA in Spanish 11 Mar 83 'Metropoli' Supplement p 4

[Article by Lucia Mendez Cardenas]

[Text] Despite strict vigilance by the Secretariat of Commerce and Public Works, merchants of several stores shortweight and price fix eggs.

During a check METROPOLI made through several zones of the city, it is certain that the price of this product fluctuates between 62 pesos 50 centavos which is the official price up to 69 pesos, a difference of 7 pesos a kilo.

In the Merced zone, 5 egg shops were closed. The village merchants said that the shops had been closed for price fixing the product up to 75 pesos.

For its part, Secofin reported that the closing of the stores was due to product price fixing by the merchants, as well as finding also short-weighting, that is selling less grams in each kilo.

## Housing Costs

Mexico City EL DIA in Spanish 11 Mar 83 'Metropoli' Supplement p 5

[Article by Margarita Hurtado]

[Text] Amidst the housing shortage throughout the metropolitan area and unreasonable demands of landlords "any place is good to sleep and make out day to day" were perhaps thoughts of four boys who together with their parents firmly installed themselves on a lot located on the corner of H and Hojalateros, Morelos settlement.

Like those dozens of families that wander aimlessly along the streets of the Federal District in search of low cost housing, they end up living outdoors because their meager incomes that fluctuate between 12 and 30,000 pesos, are not enough to pay even 10 days rent.

Such is the case of 14 families who rent the same number of rooms in an old neighborhood located on Republica de Ecuador No 95 Street, despite the fact that it threatens to collapse and bury them at any moment.

Toilet facilities are shared, water is scarce and wash places are in high demand.

Those who wish priority for the above services, must line up from 4 in the morning, so related the humble couple Berta Munguia and her husband Jorge Palafox, who were visiting the improvised "home" of family "X."

For its part, family "X" refused to leave their primitive "rooms" constructed from termite infested wood, sheets of broken cartons, polyethylene bags and cement, among other refuse that makes up the walls of the kitchen and bedrooms, since they defecate outside and only at night.

Inhabitants of the improvised house refuse to show their face for fear that authorities from the delegation Venustiano Carranza would evict them and then "where could we go?" They told the daughter of the couple Bertha and Jorge, who were visiting.

They, the four boys who are approximately 14 to 16 years old earn barely enough to eat since they are unskilled and lack employment, which prevents them from renting a place with some conveniences.

"Besides, Bertha says, the conveniences offered in the old neighborhoods are not good."

The landlords refuse to make repairs to the rooms they rent but they do demand punctual payment for them.

Such is the case of Mr Luis, a landlord from the neighborhood of Ecuador No 95 Street, who charges 100 pesos daily for each apartment which lack a kitchen; toilet and other services.



The neighborhood appears dismal and only roaming dogs announce the arrival of strangers.

Housewives wait their turn to wash their clothes, while other neighbors line up to use the only toilet.

Because of that, Bertha and Jorge prefer to live in the street like their friends, since they save paying rent and are not bothered by the landlord who goes around shouting every morning demanding the 100 pesos daily rent.

The couple add that the situation is intolerable, only that for 6 months they have wandered in search for a place to live "but they are all very expensive" and when they find one that is somewhat inexpensive, their daughter, a little girl scarcely 11 years old, is not welcome.

#### Eggs Reach 100 Pesos

Mexico City EL DIA in Spanish 14 Mar 83 'Metropoli' Supplement p 9

[Excerpt] While in various stores merchants are selling eggs for 80 and 100 pesos a kilo, others use it as a come-on hiding it or flatly charging for each one at the most convenient price.

After a check carried out in the main settlements of the NZT zone, it was noted that various merchants are speculating with the product, selling it for up to 15 pesos each one.

In the main municipalities of Naucalpan, Atizapan and Tlanepantla, the product costs 75 pesos and the "ruddy" 80.

In the miscellaneous shops, stands and retail grocery stores, a kilogram of eggs reaches a price of 100 pesos.

In the self service stores Comercial Mexicana, Blanco, Aurrera, Suburbia, Gigante and other stores of their type, eggs fluctuate between 65 and 70 pesos.

#### Tortillas, Beans, Other Foods

Mexico City EL DIA in Spanish 16 Mar 83 'Metropoli' Supplement p 9

[Excerpts] Without prior notice or the authorization of SECOFIN, unscrupulous merchants from Valle de Mexico have begun violating milk, egg, tortilla and white bread prices.

Hundreds of businesses and small stores have raised the price of eggs from 62.50 to 80 and up to 100 pesos; milk from 22.50 to 37 pesos a liter; tortillas, from 11.00 up to 15 pesos a kilogram, and white bread--packaged and loaf--from 1.00 to 3.00.

The prices for beans, cooking oil and toilet paper are 50, 100, and 27 pesos respectively. In the self-service stores, 4-roll packages cost 108 pesos.

Finally, the prices of milk, eggs, tortillas and white bread--packaged and loaf--are not respected in the least in the municipalities of Naucalpan, Atizapan, Tlalnepantla, Villa Nicolas Romero, Copacalco, Ecatepec, Cuautitlan-Izcalli, Nezahualcoyotl, Los Reyes la Paz, Chalco, etc.

9989

CSO: 3248/660

## COMPTON PRESENTS 1983-84 BUDGET TO PARLIAMENT

FL150045 Bridgetown CANA in English 2347 GMT 14 Apr 83

[By Guy Ellis]

[Excerpts] Castries, St Lucia, 14 Apr, CANA--St Lucia Prime Minister John Compton tonight presented Parliament with an 185.79 million dollar (1 EC dollar; 37 cents U.S.) 1983/84 budget, coupling it with a plea to St Lucians for a greater productivity and efficiency to put this country on the road to economic recovery following three years of decline.

The budget contains few new taxes. However, the stamp duty on imports--excluding milk, milk products and baby foods--will be increased from five to seven percent while, according to Compton, certain anomalies in the consumption taxes on pleasure boats, mattresses and certain types of tires would be "adjusted."

The prime minister proclaimed the budget as one designed to recharge the engines of growth in the economy and attack poverty, unemployment and under employment.

And he warned that there would be "no room for passengers and freeloaders on the bus that we're trying to push out of the ditch," a reference to the decline in the country's economic fortunes in the last three years as a result of the world recession and political problems at home.

He called for an all-round tightening up effort, adding that one of the areas where this would be done is in the public service, to make it more responsive to the country's development needs.

According to Compton, during the last fiscal year, St Lucia's exports totalled 119.5 million E.C. dollars while imports reached 319 million, of which 185 million financed consumer goods and 100 million went towards the importation of foodstuffs.

In the budget, the second by Compton's ruling United Workers Party (UWP) which was returned to power last May after three years of intense political upheaval here during the shortened reign of the St Lucia Labour Party (SLP), 126.7 million dollars will finance recurrent expenditure and 59.1 million will go towards capital programmes.

According to Compton, two elements were currently impending St Lucia's economic progress. One was the 25 percent depreciation in the British pound in which currency St Lucia's banana exports are paid for and the other was the current trading difficulties in the Caricom region.

Still, St Lucia had been able to make a small dent in its 27 percent unemployment level with his government's road building programme, while inflation had dropped from 15 percent to 4.6 percent last year.

However, Compton reported that there had been shortfalls in revenue to the tune of 43 million dollars in the last fiscal year and the government had had to find 4.5 million dollars to pay the International Monetary Fund (IMF) for money overdrawn by the previous government and another 9.25 million dollars for retroactive pay to public servants "under agreements hastily made for purely political reasons and for which there could be no justification."

During his 90-minute address Compton announced plans for new investments in two of the principal sectors of the economy, agriculture and tourism and told of his government's efforts to secure overseas financing for a wide range of infrastructural works which he said were crucial to the country's future development.

CSO: 3298/1248

GOVERNOR GENERAL OPENS PARLIAMENT SESSION

FL142254 Bridgetown CANA in English 2000 GMT 14 Apr 83

[By Ernie Seon]

[Text] Castries, St Lucia, 14 Apr, CANA--St Lucia's Governor General Sir Allen Lewis, in a throne speech at the opening of a fresh session of Parliament here today, outlined government's plans for a range of new legislation covering income tax, labour relations, trade, banking, insurance and other business as well as child support.

Sir Allen said there would be a revised income tax bill, which will seek to streamline, modernise and clarify the present legislation.

Government also proposes a labour code to regulate the conduct of trade unions and relations between employers and workers and bills to:

--authorise St Lucia's participation in the conversion of the East Caribbean Currency Authority to a full Central Bank,

--regulate the operations of free zones in St Lucia and broaden the island's manufacturing industry,

--increase the paid up share capital of insurance companies and provide policy holders with greater security in event of the winding up or insolvency of an insurance company,

--to regulate the export of foreign currency,

--to place responsibility for a child's maintenance on the shoulders of its parents,

--to ensure orderly development of the land resources of the state,

--to improve the efficiency of the management of the ports of entry,

--to reduce indiscriminate littering,

--to update severance pay and

--to require non-citizens to obtain retail trading outlets.



"These are but some of the legislation the passage of which will ensure the orderly and progressive development of the island," Sir Allen said.

He also announced plans to divide St Lucia into eight administrative districts and create councils, headed by the principle district officers of government and nominees to monitor development projects and advise the administration.

"The object of this exercise," Sir Allen told Parliament, "is to involve the largest number of persons in the decision making process of government."

Government will also invite the various social, economic, and religious organisations to nominate members to a national economic council to be established later this year.

The responsibilities of the council were not identified, but it's expected to be advisory to the government on economic matters.

The governor-general said that government's main task will be to maintain peace and tranquillity, and to ensure the reflation of the economy "so that more St Lucians may be drawn into the mainstream of social and economic life through gainful employment."

"Government believes that its economic and social goals of a sustained attack on the problems of poverty and unemployment can be achieved by the creation of a stable industrial climate, through constant consultation with trade unions and private sector organisations," he added.

He however expressed regret at the "inability of some trade unions," to participate in government earlier efforts to establish a tripartite commission.

Sir Allen said that the main thrust of government's foreign policy will continue to be the search for economic assistance for the improvement of the well being of St Lucians and for the reconstruction of the country.

He added: "Government will expand its diplomatic relations to include all countries of the European Economic Community, the Middle East and the nations of the Caribbean Basin." It will also consider establishing, either in conjunction with other Organisation of East Caribbean States (OECS) or alone, full diplomatic missions in Washington and Brussels.

Sir Allen said that government also planned to harmonise its policies with other countries of the OECS, and as far as possible with other states of Caricom on major international issues, "so as to avoid speaking with a babel of tongues."

CSO: 3298/1248

ECONOMIC DEVELOPMENTS IN 1982, PROSPECTS FOR 1983

Paramaribo DE WARE TIJD in Dutch 12 Mar 83 p 6

[Article: "Commander Bouterse: "Suriname will not go down on its knees".

[Text] Paramaribo (SNA) --Despite 2.5 percent growth in 1982 the economy of Suriname has less favorable prospects for this year. This is caused by a combination of the world recession and the Dutch decision to stop development assistance to its former colony.

This is the conclusion reached by Surinamese economic planners.

Almost 95 percent of the country's budget was financed by the Netherlands in accordance with the treaty signed in 1975 by the Hague and Paramaribo at the independence of Suriname.

1.8 Billion

In accordance with this treaty Suriname was to receive 1.8 billion US dollars from the Netherlands over a 10-year period.

In December of last year the Netherlands ended this development assistance in reprisal against the military leadership in Suriname which forcefully suppressed an attempt to overthrow its government.

Not on its Knees

At a meeting honoring the third anniversary of revolution Commander Bouterse stated that Suriname had gained more self-confidence, in particular after the Dutch decision.

He said that the government will not go down on its knees; development assistance is a new form of exploitation. This assistance was never meant to improve the standard of living of the Surinamese population. No nation can be so philanthropic.

We are entitled to this assistance but we will not change our course to get it, according to Bouterse.

## 2.5 Percent Growth

The National Planning Bureau announced this week that in spite of a drop of 28.1 percent in bauxite profits the Surinamese economy experienced in 1982 a real growth of 2.5 percent. Bauxite provides Suriname with 75 percent of its income in foreign assets.

It is a pity that, just as in Guyana and Jamaica, bauxite production dropped here too because of decreased demands for aluminum.

The contributions of two other important economic areas, agriculture and industry, remained firm at about 8 percent according to the figures of the Planning Bureau.

## Bauxite for the Next 25 Years

However, the contribution of the service sector went up by 3 percent, from 60 percent in 1981 to 63 percent in 1982. Bauxite supplies are estimated to be 490 million ton, enough for the next 25 years. The bauxite industry is dominated by Suralco which is a subsidiary of Alcoa and Billiton, a subsidiary of Royal Dutch Shell. An increase in the average price of aluminum bars in 1974 by 6 percent increased government revenues from that industry by about 30 percent.

## Production Decrease

The production of bauxite decreased last year by 24.4 percent, from 4.1 million ton in 1981 to 3.1 million ton in 1982.

Exportation of the ore dropped over the same period by 62.3 percent from 1.2 million ton in 1981 to 477,000 ton over last year, according to the Planning Bureau.

The production of alum-earth decreased in 1982 by 15.5 percent, from 1.2 million ton in the past year to 1 million ton in 1982.

The exportation of alum-earth also declined by 12.3 percent from 1.1 million ton in 1981 to 1.0 million ton in 1982.

However, aluminum production increased by 4.8 percent: from 41,000 ton in 1981 to 43,000 ton over last year. The exportation increased over this period by 84 percent to 60,000 ton, it was 33,000 in 1981.

## Low Foreign Debt

Suriname's foreign debt is one of the lowest in the region.

It amounts to 19.5 million US dollars with a service percentage of 0.02 percent.

When Winston Caldeira was still in charge of the Planning Bureau he wrote in CARIBBEAN CONTACT, a regional paper located in Barbados, that the Dutch government has no legal grounds to stop its development assistance.

He predicted that within a year the Hague will come to reason regarding its attitude towards Suriname, or it will be forced to do so by public opinion here and abroad.

Caldeira said that the Netherlands cannot justify unilateral cancellation of the treaty of 1975 which guaranteed development assistance.

He also declared that Suriname's credit percentage is exceptionally low and that there would not be any problem obtaining the estimated 200 million guilders.

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CSO: 3214/25

## DERBY ON LABOR UNIONS' RESPONSIBILITY

Paramaribo DE WARE TIJD in Dutch 15 Mar 83 p 3

[Fred Derby's speech at signing collective labor agreement]

[Text] Unions must take part in the management of state owned enterprises. At the signing ceremony of a new collective labor agreement with Suriname Airlines union chairman Fred Derby delivered the following speech:

Speech of Mr F. Derby.

I believe the right way to begin this speech is by mentioning the fact that this collective labor agreement is probably the first to be signed in this country in 1983. Because of various incidents we have not been able to witness the signing of collective labor agreements in the past months. The SLM [Suriname Airlines] and its labor union are here operating as pioneers. The president of the company has just been telling us again how union and management worked together. As SLM workers we have constantly pointed out that it would be a good thing if an enterprise with such a special character--the SLM is our national air carrier--could establish a model of cooperation between its labor union and its management with its own special features.

## Three Types of Enterprises

The SLM union operated on the basis of C-47, namely that there are three types of firms. We know that there are multinational enterprises, transnational corporations which operate in this country, and national enterprises, to be divided in 2 categories, namely purely national civilian enterprises and firms which have been given the status of state services.

The SLM belongs to the last mentioned category. We went with C-47 to carry more responsibility in this firm with the status of state service, a firm therefore which we own, instead of merely playing the role of a labor union fighting for wages and other worker benefits.

## Union Must Participate

To us C-47 means that we instruct labor unions which operate in state owned enterprises to take part in their management. It also means that the goals



of such enterprises are not just the responsibility of the board of directors but the combined responsibility of the board and the union.

We explained this to the owners among whom we also belong, and I believe that they agree. Two years ago, on 20 February 1981 to be exact, we began to use this model in the company.

### Results

What have been the results? When we began to use this model the company had a big debt, a loss of more than 9 to 10 million guilders. We began to discuss the situation. In the meantime the collective bargaining agreement, or at least an agreement in principle between the management and the SLM union, was reached after we inspected all the books, as the president just mentioned, to really understand the condition of the SLM. Again we invited the members, as responsible executive body of the SLM union, to attend a meeting and we told them clearly that the condition of the SLM was precarious and miserable. I have to give the members credit that they showed great understanding.

### Cutting Back

It is good to bring this back to mind because in this country we are always inclined to say that the workers are without feeling of responsibility. They seem to talk about what they are entitled to without mentioning their duties. We have a different experience and we have been long enough in the business to know. The SLM employees authorized the management to make small cuts because they realized that it would be better to save all existing jobs.

According to the president we have accepted cutbacks definitely worth 1 million guilders to the SLM.

### Employment and Reorganization

We did it because we are convinced that we are helping the SLM and that we are making a sacrifice. However, in return we demanded that no jobs should be abolished, in other words, no workers will be fired. What does that imply?

It implies that we are prepared to give everybody his proper share of the cake and that nobody will be fired. We could then see how the reorganization, as executed by the union and the management in cooperation with the board of directors changed the SLM in a short period of time from a money-losing firm to a company showing profits, albeit marginal. I believe that we cut back 15 million guilders in 15 months. I am referring to the reorganizational steps which all benefitted the company. We are no longer operating in the red and I do hope that will not be happening again anytime soon. Mr Mungra has already announced that in February of next year we will sit down again at the bargaining table. I can assure you that we will be ready as soon as possible to claim again a proper share for you, the object of our praise.

Some way or other we have to do this.

#### Troubles Nevertheless

Nevertheless, I feel that one thing is still bothering me. We admit that we received a lot of support, or, as the president expressed it, cooperation from the management. I feel nevertheless obliged to state that we are hoping for an integrated system of air transportation management, based on the new aspirations of the Surinamese nation. Only such a system can be productive and favorable for the new Surinamese nation. I say this because it would be difficult to work in an enterprise without clear-cut instructions for the future development of management policies. We must state that steps were taken in the past to secure the SLM's position. This position has now definitely been secured. I believe that it is only now that the SLM can indeed be called a national carrier because the SLM's interests and position are adequately guaranteed. Nevertheless, aeronautics is a matter of cooperation, in particular in a small society.

#### Clear Programs

We know that the government cancelled some air agreements and I believe that the time has come to take a fresh look at these agreements. We must closely watch the SLM's position because if it is good the interests of the workers who are making a living in it are guaranteed. Via Mr Mungra I am therefore asking that we will have clear programs to see to it that in the very near future agreements which have to be renegotiated, will indeed be renegotiated and if new agreements are needed they will indeed be made. I say this because I believe that we should not become pressed for time which would make it impossible for us to cancel these agreements.

#### Capable

I wish you and the management a lot of success in the next period. You have shown that you can run the enterprise in cooperation with your personnel. We have the substantiating facts. I believe that if the management, the board of directors, the representatives of the shareholders and the workers keep this up the SLM's future will be bright. I am not even talking about the collective labor agreement we are going to sign because it is only temporary in nature. We are eagerly looking forward to the new agreement which will emerge from the negotiations to be held in February.

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CSO: 3214/26

## BANK REPORT FOR 1982 RELEASED; DEFICIT NOTED

FL230104 Bridgetown CANA in English 2346 GMT 22 Apr 83

[Text] Port-of-Spain, Trinidad, 22 Apr, CANA--Trinidad and Tobago recorded a balance of payments deficit of 525.1 million dollars (one TT dollar; 41 cents U.S.) in 1982, its first after nearly 10 years of an oil-fueled economic boom, the Central Bank has reported.

The bank, in its just released 1982 report, attributed the development mainly to a 3.3 billion dollar current account deficit run up by government during the year. Trinidad and Tobago had balance of payments surpluses of 1.4 billion and 1.5 billion dollars in 1981 and 1980 respectively.

"The change in the current account balance from a surplus (175.8 million dollars) in 1981 to a deficit in 1982 was mainly responsible for the reversal," the Central Bank report said.

It added: "The current account balance, in turn, mirrored the deterioration in the merchandise trade account which largely reflected the performance of the domestic petroleum industry."

Petroleum and petroleum-based products account for the bulk of Trinidad and Tobago's revenue earnings, but output last year had to be significantly slashed due to a drop in world demand for oil. With this and a fall in oil prices, revenue declined by 16.3 percent or 681.7 million dollars.

There was a balance of trade deficit here in 1982 of 1,456.6 million dollars. According to the Central Bank, while Trinidad and Tobago exports were valued at 5,083.1 million dollars, it bought 6,539.7 million dollars worth in imports.

The heavy losses in the oil sector, the report said, were largely offset by the continued buoyancy of revenue from the non-oil sector, particularly personal income taxes which increased by 62.5 percent or 538.8 million dollars in 1982.

It added that government's current expenditure had increased by 76.2 percent to reach 6,280.5 million dollars in the year under review, with more than half of the rise going towards payment of higher wages and retroactive salaries.

But in spite of this setback, the Central Bank said real economic growth had continued, inflation was falling steadily, and unemployment had fallen marginally during the first half of 1982.

Real economic growth in the Trinidad and Tobago economy was put at 3.9 percent last year. The Central Bank said: "This was an encouraging sign of the ability of the economy to adapt in a measured fashion to the recessionary conditions in the wider world economy."

Inflation, which was at a level of 14.3 percent in 1981, dropped to 11.4 percent last year, attributed by the bank to similar drops in the major industrialised countries which, it said, helped to dampen increases in import prices.

The report said unemployment here during the first half of 1982 had dropped to 10.3 percent from 10.4 percent for the corresponding period in 1981.

An estimated 25,400 males were out of work compared with 20,200 females, giving a total of 45,600 unemployed people out of a workforce of 443,000.

CSO: 3298/1249

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